GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1741
ANSWERED ON:06.03.2000
BIFURCATION OF SEBS INTO CORPORATIONS
C. SREENIVAASAN

Will the Minister of POWER be pleased to state:

(a) whether Electricity Boards in various states are being bifurcated into separate corporations;

(b) if so, the details in this regard;

(c) whether any study has been conducted in this regard;

(d) if so, the manner in which it is proposed to ensure that the bifurcation is uniformly implemented in all the states; and

(e) if not, the fresh guidelines issued to the SEBs to increase their operational efficiency in generation and distribution of power?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : The consensus arrived at in the Chief Ministers` Conference held in December, 1998 envisaged, inter-alia, unbundling/corporatisation of State Electricity Boards, as a step towards reforms in the power sector. So far, five states namely, Orissa, Haryana, Andhra Pradesh, Karnataka and Uttar Pradesh have unbundled/corporatised State Electricity Boards.

(c) to (e) : The Government of India took the initiative to promote the reforms process in the power sector. A concerted effort was made to evolve a consensus on the need and structure of reforms. The Government of India commissioned various studies by engaging consultants. Ms. V.S. Rekha, Legal Consultant was engaged to review the existing Central Electricity Acts and suggest an amended and consolidated Central Law which would meet the requirements of liberalisation of the electricity sector. The Administrative Staff College of India conducted studies on the restructuring of regulatory system in the power sector in India. A one-man Committee headed by Shri S.J. Coelho, former Chairman of Gujarat Electricity Board looked into the problems facing the distribution sector. The Government of India also organised Chief Ministers`/Power Ministers` Conferences to evolve a consensus on the power sector reforms.

Recently, the Ministry of Power had asked the National Council of Applied Economic Research (NCAER) as a consultant, to suggest legislative changes it considered necessary to accelerate the reform process uniformly throughout the country.

The NCAER has submitted a draft Electricity Bill to replace the existing three electricity laws (The Indian Electricity Act, 1910, Electricity (Supply) Act, 1948 and The Electricity Regulatory Commissions Act, 1998). The draft Bill suggests, inter-alia unbundling/corporatisation of all the State Electricity Boards and their restructuring into separate entities that would provide for accountability based on profit centres, whether public or private. Bill seeks to enable States to unbundle SEBs without enacting separate legislations for the purpose.